



# Regional Board Report

## Request for Decision

**To:** Regional Board  
**From:** Director of Financial Services  
**Date:** May 15, 2025  
**Subject:** Purchasing Policy Amendments

**Voting Entitlement:** *All Directors Unweighted Corporate Vote - Simple majority (LGA s. 208)*

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**Purpose:** To consider amendments to Board Policy BP7.20 – Purchasing Policy.

### Executive Summary:

The last review of Board Policy BP7.20 – Purchasing Policy was conducted in 2014. Staff have completed the review, with the support of the Regional District's Purchasing Consultant, staff propose the following types of recommended changes:

1. Edits to the existing policy
2. New sections added to the existing policy
3. Specific content removed from the existing policy

Edits to update thresholds for both delegated purchasing authorities and procurement process thresholds reflect inflationary changes over the past decade. Edits also reflect new procurement processes and project delivery methods that were not applicable in 2014.

New proposed sections safeguard ethical procurement, identify and manage situations where conflicts of interest may exist, and address the management and disclosure of confidential information. Other new sections proposed provide for enhanced clarity regarding the Regional District's commitment to procurement that meets social and environmental goals and reduce the Regional District's procurement costs through group/co-operative purchasing and/or by enabling the Regional District to not enter a new contract with a vendor involved in litigation against the Regional District. Lastly, new sections have been added to clarify the procurement processes in emergency situations and for the disposal of surplus goods. Staff also recommend removal of two redundant sections.

All changes promote the Regional District's goal of a procurement process that is fair, transparent, efficient and focused on achieving the best overall value while aligning with the Regional District's trade agreement obligations.

### Recommendation(s):

**THAT** the Regional Board amends Board Policy BP7.20 – Purchasing Policy as outlined in the report from the Director of Financial Services, dated May 15, 2025;

**AND THAT** the Regional Board approve the renaming of Board Policy BP7.20 Purchasing Policy to BP23-2025 Purchasing Policy.

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Approved for Agenda: Sally Ginter, Chief Administrative Officer

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### Strategic Plan Alignment:

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| <input type="checkbox"/> Emergency preparedness  | <input type="checkbox"/> Truth and reconciliation                              |
| <input type="checkbox"/> Health and wellness     | <input type="checkbox"/> Environment and climate – Regional priority only      |
| <input type="checkbox"/> Regional transportation | <input type="checkbox"/> Growth and development – Electoral Area priority only |
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### Background:

The Purchasing Policy was last reviewed and updated in 2014. As part of regular processes, a review has been completed. Out of this review there are several edits proposed as well as the addition of new sections and the removal of other content. The result is a policy that reflects the Regional District's goal of a procurement process that is fair, transparent, efficient and focused on achieving the best overall value while aligning with the Regional District's trade agreement obligations.

### Edits

Several edits have been made to the policy. The first is an amendment to the delegated purchasing authority limits in *Schedule A*. These adjustments have been made to reflect the impact of inflation and to improve efficiencies in the procurement process. Clarity has also been added that the expenditure must be within the current approved financial plan.

The next adjustment is an update to the procurement value thresholds identified in *Schedule B*. They have also been adjusted for inflation, as well as to align with the thresholds of our member municipalities. Thresholds have been segregated between the type of procurement to recognize the different thresholds that apply under the trade agreements. Risk classification guidance has also been included to ensure oversight of high risk, low-value contracts

Other changes made:

- The inclusion of new options for procurement processes & project delivery methods:
  - Procurement process:
    - Negotiated-RFPs
    - Pre-Qualifications
    - Notice of Intent
  - Project delivery methods:
    - Progressive Design-Build
    - Construction Management
    - Integrated Project Delivery

- Appendix I and Sections 3.1 & 3.2 of the old policy have been combined into Schedule B. Thresholds have been increased to reflect inflation. Thresholds have also been segregated based on the type of expenditure to reflect the different procurement value requirements under the trade agreements.
- Appendix II of the old policy is moved to Schedule A. Authority limits have been included for additional positions, improving the efficiency of the procurement process. The authority limit for the CAO and Department Heads remains unchanged.
- Section 3.4 of the old policy has been moved to Schedule C for clarity on which situations are exempt from the purchasing process requirements. Most exemptions flow from the exemptions in the trade agreements.
- Improved Policy Definitions capture recommended additions (Buying Group, Conflict of Interest and Procurement Value) and/or improve definition clarity (Public Competitive Process and Professional Consulting Services).

### Additions to the Policy

The Policy has been expanded to capture the Regional District's commitment to being ethically, socially and environmentally responsible in its procurement process. This commitment drives the following additions:

#### *Section 1.4 - Ethical Conduct & Conflict of Interest in Procurement*

This section outlines the Regional District's commitment to ensuring that the procurement process is executed with integrity and adheres to ethical standards. It defines conflict of interest and outlines the processes to be followed in the situation when a conflict of interest may exist.

#### *Section 1.6 - Social Procurement*

This section outlines the processes to be followed, where viable, for situations that range from where trade agreements are and are not applicable. When not applicable, the policy outlines:

- Seeking quotes/proposals from suppliers/contractors that have a physical presence within the Regional District of Central Okanagan.
- Giving first preference to suppliers/contractors that have a physical presence in Canada, when all other evaluation criteria scores from a competitive process are equal.
- Encouraging the use of Indigenous-owned businesses for projects related to Westbank First Nation and/or Okanagan Indian Band communities
- Considering opportunities to use non-profit societies supporting equity-seeking groups and/or marginalized populations

#### *Section 1.7 - Environmental & Sustainable Procurement*

To reflect the Regional District's commitments to the environment, this section states that procurements will prioritize environmentally friendly goods, where viable.

### *Section 1.9 - Confidentiality & Disclosure of Information*

Best practices ensure that commercially sensitive information acquired during the quote/proposal process is kept confidential. This is to protect vendor organizations and reputation of the Regional District's competitive processes. Also noted, are the requirements to meet the Regional District's obligations under the Freedom of Information and Protection of Privacy Act.

### *Section 1.10 – Suppliers/Contractors in Legal Action with the RDCO*

Where there is a reasonable expectation that entering a new contract with a vendor who is in litigation against the Regional District would increase the Regional District's risk, this section provides clarity on what steps the Regional District will take to reduce the risk.

### *Section 1.11 – Buying Groups & Co-operative Purchasing*

The Regional District currently participates in buying groups that enables taking advantage of group volume purchasing for preferred pricing. This section formalizes that participation.

### *Section 2.5 - Emergency Expenditures*

This section authorizes the CAO to make emergency expenditures required for the protection of life, health or property in the Electoral Areas and/or affecting RDCO assets, when such expenditures do not fall under the authority of the Emergency Management Program.

### *Section 3 - Disposal of Surplus Assets*

The policy had previously been silent on this item and therefore, this process is now added to the policy.

### Recommended Removals:

Some sections of the current policy are redundant or reduce the efficiency of the Regional District's procurement process.

*Section 2.5* in the current policy requires Board approval for all direct awards over \$75,000. This was requested by a previous Board when the policy was last amended in 2014, driven by the Board's desire to have direct oversight on spending at the Wastewater Treatment Plant. Direct Awards are limited by Trade Agreements, under which most procurement for this facility falls. The requirement for a Board/Council approval of a Direct Award above \$75,000 is not a feature of multiple other purchasing policies reviewed by staff. In addition, staff have an exemplary record of purchasing policy compliance, with zero complaints or bid challenges. Because of these reasons, the removal of this requirement is recommended.

*Section 3.6* in the current policy requires a quarterly report to the Regional Board on the commitments over \$100,000 in that quarter. Schedule A of the policy has been edited to state the requirement that all expenditures being committed must be within the financial plan adopted by the Board. Financial results, as presented in the annual financial statements, are audited each year. These two factors make the provision of the quarterly report redundant.

## Summary

The amendments to the policy will ensure a policy that provides for a procurement process that is fair, transparent, efficient and focused on achieving the best overall value while aligning with the Regional District's trade agreement obligations.

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### **Considerations:**

#### Organizational/External:

The amended policy will provide clarity around the procurement process for both Regional District staff and vendors

#### Financial:

The amended policy provides improved controls to ensure that all procurement that is done is in accordance with the financial plan adopted by the Regional Board.

#### Legal/Statutory Authority:

- RDCO Administrative Policy – Purchasing Procedures (2022)
- RDCO Board Policy - BP9-2017 – Financial Signing Authorities and Authorizations
- RDCO Administrative Policy - AP20-2023 Corporate Credit Card Policy & Procedures
- RDCO Board Policy - BP10-2020 - Green Vehicle and Equipment Policy
- RDCO Emergency Management Program Bylaw No. 1444 (2019)
- The Local Government Act
- The Community Charter
- The Freedom of Information and Protection of Privacy Act (FOIPPA)
- The New West Partnership Trade Agreement (NWPTA)
- The Canadian Free Trade Agreement (CFTA)
- The Canada – EU Comprehensive Economic Trade Agreement (CETA)
- The Canada-UK Trade Continuity Agreement (Canada-UK TCA)

#### Alternate Recommendation:

**THAT** the Regional Board direct staff to return to the Board at a future meeting with a revised Purchasing Policy for consideration.

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Attachment(s):	1. BP 7.20-2014 -Purchasing Policy (old)
	2. BP 7.20-2025 – Purchasing Policy (redline)
	3. BP 7.20-2025 – Purchasing Policy (new)
	4. 2025 Board Purchasing Policy Presentation

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